

MARGARET DONNELLAN TODD
COUNTY LIBRARIAN

January 6, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE PUBLIC LIBRARY TO SUBMIT A THIRD CYCLE APPLICATION
FOR LIBRARY BOND ACT MATCHING GRANT FUNDS TO CONSTRUCT
THE EAST SAN GABRIEL VALLEY REGIONAL LIBRARY PROJECT (4)
(3-VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
DIRECTOR OF PUBLIC WORKS THAT YOUR BOARD:**

1. Find that your Board has previously certified and approved the Final Environmental Impact Report, including the mitigation monitoring program, and adopted Environmental Findings of Fact and Statement of Overriding Considerations for this project, in compliance with the California Environmental Quality Act (CEQA).
2. Approve the State third cycle grant application (Attachment 1) requesting State matching funds in the amount of \$16,236,369 (which represents 65% of eligible project costs) and authorize the Chairman of the Board and the County Librarian to sign the application form.
3. Authorize the County Librarian, the Director of Public Works and the Chief Administrative Officer to complete and submit all required supporting documents and reports for the grant application.
4. Approve the total grant project budget of \$31,562,565 for the East San Gabriel Valley Regional Library project.
5. Approve and authorize the Chairman of the Board to sign the attached joint use cooperative agreement (Attachment 3) between the County and the Hacienda La Puente Unified School District and the Rowland Unified School District.

6. Approve the resolution (Attachment 4) making certain certifications as required in the Bond Act regulations.
7. Authorize the County Librarian to act as agent for the County, and to conduct negotiations, execute documents, and submit other information as may be required in support of the grant project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 11, 2003 your Board approved a grant application for this project under the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 (Bond Act), and the application was submitted to the State Library for the second grant application cycle deadline of March 28, 2003. Although the East San Gabriel Valley Regional Library project received a Very Good rating by State reviewers, it was not awarded a grant by the Bond Act Board at its meeting on October 28, 2003. The Public Library has therefore prepared an updated application (Attachment 1) for the third and final Bond Act application cycle. The updated application incorporates changes to reflect comments received from the State reviewers of the previous application, and updated project cost information. Approval of the recommendations will authorize the Public Library to submit a grant application to the State for matching funds in the amount of \$16,236,369 to construct the East San Gabriel Valley Regional Library project. If approved by your Board, the Public Library will submit the grant application and required supporting documents to the State Library for the third and final grant application cycle deadline of January 16, 2004.

Approval of the recommendations will also authorize the Public Library, Department of Public Works, and Chief Administrative Office to complete and submit various reports and other documents required by the Bond Act regulations to support the grant application. This project will result in the construction of a new 45,000 square foot library facility, including 238 parking spaces, on approximately 5.1 acres in the northwest corner of Schabarum Regional Park. The proposed library project has been coordinated with the Department of Parks and Recreation. They will be included in the planning, design and construction of the project.

The projected 2020 population of the service area will require a total of 70,000 square feet of library facilities to meet the service demands of area residents. The existing Hacienda Heights and Rowland Heights Libraries, with a combined total of 25,261 square feet, are undersized to adequately serve community residents. It is not feasible to expand the two existing library facilities because the current sites are not large enough to support expansion of the buildings or to provide additional parking.

Service improvements at the proposed new library include: a large adult reading area; a community learning center for homework assistance and computer training; local history and environmental studies rooms; a community meeting room to seat 200 people; a conference room with 14 seats; four small group study rooms; a spacious children's area with a dedicated storytelling area for up to 40 people; expanded reference collections; a dedicated room for the Friends of the Library; self-check machines and Internet express stations near the front lobby; 105 public access computers; and a large collection of 250,000 books and audiovisual materials. The location of the proposed library in Schabarum Regional Park also provides unique opportunities for joint programming with the Department of Parks and Recreation.

The revised joint use cooperative agreement with the Hacienda La Puente Unified School District and the Rowland Unified School District provides for a jointly operated community learning center as part of the new library. Approval of this agreement will make the County's grant application eligible for first priority consideration for funding by the Bond Act Board.

If a grant is awarded by the State for this project, we will return to your Board to accept the grant, award necessary contracts to begin the project, and approve any required appropriation adjustment to fund project costs. Notification of a grant award by the State is anticipated by August 2004.

Implementation of Strategic Plan Goals

Approval of this grant application is consistent with the County's Strategic Plan Goal of Fiscal Responsibility since construction of this facility represents an investment in public infrastructure. It is also consistent with the goal of Service Excellence since the proposed new facility will provide improved library service to the residents of the unincorporated communities of Hacienda Heights and Rowland Heights, and the City of La Habra Heights. Approval is also consistent with the goal of Children and Families' Well-Being because the library will provide educational facilities and programs for enhancing educational/workforce readiness.

FISCAL IMPACT/FINANCING

The net County cost for this project is \$11,462,696. The total project budget for purposes of the grant application is \$31,562,565 which includes an amount of \$3,784,000 for the appraised value of the site, and expenditures of \$79,500 incurred prior to the application date for architectural plans and drawings. The site value is not an actual cost to the County, but is included in the grant budget and allowed by the State as a credit against the

County's local matching funds. The total credit of \$3,863,500 results in a net project cost of \$27,699,065.

Under the Bond Act regulations, the State will reimburse the County \$16,236,369 for 65% of eligible project costs. Eligible costs include site development; design and construction; furniture, fixtures and equipment; and related planning and project management costs. The County is responsible for providing \$15,326,196 which represents matching funds of 35% of eligible costs (\$8,742,660), plus all ineligible costs (\$6,583,536). Ineligible costs include the purchase of library books and materials, other costs not allowed as eligible project costs under the Bond Act regulations, and relocation of the recreational facilities impacted by the library project.

The allowable credit of \$3,863,500 (for pre-application costs and appraised value of land) results in a net County cost for the project of \$11,462,696. This net cost will be financed by Fourth District unallocated capital project funds and Fourth District extraordinary maintenance funds. A balance of \$1.6 million will be financed by Fourth District Proposition A park funds that will be identified at the time a grant award is presented to your Board for approval. (Attachment 2 provides a summary of all costs associated with this project.)

Operating Budget Impact

The Bond Act commits the County to operate the library for a period of 40 years. If the State approves a grant award for this project, it is anticipated that the new facility will begin operation in October 2008, and funding for annual operating costs will not be required until that time. The annual operating cost for this new facility is currently estimated at \$3,026,000, based on the projected cost of staffing, support, facility maintenance and other operating costs that will be required. The Public Library does not expect to have funds available in its operating budget to pay for the increased annual cost of operating the new facility, and will request additional funding for those costs to begin in Fiscal Year 2008-09.

In addition, one-time start-up costs of \$4.7 million are required to purchase the library books and materials for the new facility's initial collection. Funding for the purchase of those materials is part of the ineligible cost portion of the project budget referenced above. This amount is included in the available financing of the total net County costs, and would be required beginning in Fiscal Year 2006-07.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 7, 2000 California's voters approved Proposition 14, which established the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000, creating a \$350 million State bond program for construction and renovation of library facilities. The Bond Act provides grant funds to local library jurisdictions on a 65% State/35% local matching basis. Grant funds will be awarded on a competitive basis in three separate application and funding cycles, of which the deadlines for the first and second cycles have passed. The deadline for the third and final cycle is January 16, 2004. If approved by your Board, this grant application will be submitted for the third funding cycle. The State is expected to take approximately six to seven months to review grant applications and award grant funds.

On February 11, 2003 your Board approved a joint use cooperative agreement with the Hacienda La Puente Unified School District and the Rowland Unified School District to provide a jointly operated community learning center as part of the proposed library project. The Bond Act and associated State regulations provide first priority consideration for funding of projects where the agency that operates the library and one or more school districts have such a cooperative agreement.

We are, however, submitting a revised version of the joint use agreement (Attachment 3) with the School Districts to incorporate changes based on the State's comments on the County's projects submitted in the second Bond Act application cycle. These improvements will strengthen the joint use agreement for consideration by the State in the third application cycle. Your Board's approval of the joint use cooperative agreement ensures that the East San Gabriel Valley Regional Library project grant application will receive first priority funding consideration by the Bond Act Board. The agreement has been approved as to form by County Counsel and approved by the school boards of both School Districts. This joint use program provides for a Community Learning Center that includes a homework center for elementary and middle school students, 22 public access computers and 30 reader seats. When not in use for homework assistance, the Center can also be used as a technology training center for independent learners.

The Bond Act regulations require that the Board of Supervisors adopt a resolution taking certain actions in support of the County's grant application for this project. These actions include: certification of the project budget; certification of the accuracy and truthfulness of all information submitted in the application form and supporting documents; a commitment to provide the 35% local matching funds; a commitment to provide the supplemental funds necessary to complete the project at the level stated in the library project budget; a commitment to make available the local matching funds and supplemental funds when needed to meet the cash flow requirements of the project; a commitment that the County

will operate the completed facility and provide public library direct service; and a commitment to dedicate the facility to public library direct service for a period of 40 years following completion of the project. The attached resolution (Attachment 4) has been approved as to form by County Counsel and conforms to the Bond Act regulations.

ENVIRONMENTAL DOCUMENTATION

On February 11, 2003 your Board certified and approved the Final Environmental Impact Report, including the mitigation monitoring program, and adopted Environmental Findings of Fact and Statement of Overriding Considerations for this project (Attachment 5). The prior approval and adoption of this environmental documentation by your Board ensure that the Public Library has met CEQA compliance requirements for the project and is able to submit proof of compliance as part of the grant application as required by the Bond Act regulations.

IMPACT ON CURRENT SERVICES

Existing library service at the Hacienda Heights and Rowland Heights Libraries will not be impacted during construction of the new facility if a grant is awarded for this project. The project will require the relocation of some recreational facilities to other locations in the park. These facilities will be relocated prior to the start of library construction. The cost of relocating these facilities is included in the project budget and financed from Fourth District park funds.

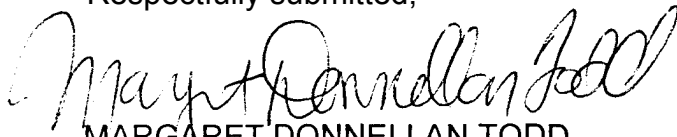
CONCLUSION

The Bond Act provides a unique opportunity to obtain State matching funds for the construction of a new library to serve residents of the East San Gabriel Valley who are not adequately served in existing undersized and crowded facilities. It is therefore requested that your Board approve this grant application which will allow the Public Library to seek construction funds that would not otherwise be available to build a needed library facility at a significantly reduced cost to the County.


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Please return an adopted copy of this letter to the Public Library, Department of Public Works, and Chief Administrative Office-Capital Projects Division. In addition, please return the following to the Public Library for further processing: a fully conformed original of the grant application form with original signatures; four fully conformed copies of the joint use cooperative agreement with original signatures; and a fully conformed copy of the Resolution.

Respectfully submitted,



MARGARET DONNELLAN TODD
County Librarian



JAMES A. NOYES
Director of Public Works



DAVID E. JANSSEN
Chief Administrative Officer

MDT:DF:jm

Attachments

C: County Counsel
Executive Office, Board of Supervisors
Department of Parks and Recreation